

Technical Note  
**Gross Domestic Product, Third Quarter 2002 (Final)**  
December 20, 2002

This technical note provides background information about the source data and estimating methods used to produce the estimates presented in the GDP news release; the note also provides some perspective on the estimates. Additional material will become available in the next several days; much of it will be posted to BEA's Web site <[www.bea.gov](http://www.bea.gov)>. In a few weeks, the estimates will be published in BEA's monthly journal, the *Survey of Current Business*. The *Survey* also will provide a more detailed analysis of the estimates ("The Business Situation").

Real GDP (revised): Real GDP is now estimated to have increased 4.0 percent in the third quarter of 2002, the same as in the preliminary estimate. Real GDP increased 1.3 percent in the second quarter.

As in the preliminary estimate, the largest contributors to the step-up in GDP growth were consumer spending and imports.

Prices (revised): The chain-type price index for gross domestic purchases increased 1.2 percent in the third quarter, the same as in the preliminary estimate. The index increased 2.3 percent in the second quarter.

Corporate Profits (revised): Profits from current production decreased 1.8 percent (quarterly rate) in the third quarter, the same as in the preliminary estimate. Profits decreased 1.6 percent in the second quarter. Profits were 12.2 percent higher in the third quarter of 2002 than in the third quarter of 2001.

The current-production measure of profits differs from profits as they are reported in corporate financial statements. It excludes non-operating items, such as special charges and capital gains and losses, and it values depreciation of fixed assets and inventory withdrawals at current cost rather than at historical cost.

#### Source of Revisions

There were modest revisions to several components of GDP. Small upward revisions to imports and exports were roughly offsetting and reflect revised September Census goods data and revised and newly available quarterly data from BEA surveys of trade in services. Change in private inventories was also revised up slightly, primarily reflecting revised September Census inventory data.

The news release also presents revised estimates of wages and salaries, personal taxes, and contributions for social insurance for the preceding (second) quarter. The revision to wages and salaries was small and reflects the incorporation of the most recently available data from BLS tabulations of private wages and salaries from the state unemployment insurance program. Personal taxes for the second

and third quarters were revised down based on federal income tax data from the Monthly Treasury Statement. The revision to contributions for social insurance was small.

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